

Message Text

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PAGE 01 LAGOS 08719 151109Z
ACTION AF-10

INFO OCT-01 EB-08 ISO-00 /019 W
-----042850 160644Z /10
R 141532Z JUL 78
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 9503
INFO USDOC WASHDC
AMCONSUL KADUNA

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E.O. 11652: N/A
TAGS: BEXP, BTIO, EINV, ETRD, NI
SUBJECT: IMPORT RESTRICTIONS ON COMERCIAL VEHICLES: JEEP CORP.

REF: STATE 172491

1. EMBOFF LEARNED FROM B.O. ODESEYE, MIN. TRADE, THAT NO IMPORT LICENSES FOR ASSEMBLED COMMERCIAL VEHICLES HAVE BEEN ISSUED SINCE THE APRIL 1 BUDGET SPEECH WHICH PUT THEM UNDER LICESNE. VEHICLES WHICH WERE IN NIGERIAN TERRITORIAL WATERS AT THE TIME OF THE SPEECH WERE GRANTED AN EXEMPTION. ALL COMMERCIAL VEHICLE IMPORT LICENSE REQUESTS WILL BE REVIEWED TOGETHER WITHIN A FEW WEEKS. ODESEYE SAID LICENSES WILL GO TO ESTABLISHED DISTRIBUTORS WHO CAN QUOTE MAKE BEST USE OF THJ UNQUOTE.

2. ODESEYE CONFIRMED THAT ASSEMBLERS VW AND PEUGEOT ARE RECEIVING A STEADY STREAM OF COMPONENTS AND SPARES. HE ASSURED EMBOFF THAT AN ASSEMBLING COMPANY WOULD HAVE NO DIFFICULTIES IN SUPPLY ONCE FMG APPROVAL HAD BEEN GRANTED. HE CONFIRMED THAT THIS WOULD APPLY TO THE COMMERCIAL VEHICLE PLANTS WHICH ARE NOT YET IN OPERATION: STEYER, DAIMLER-BENZ AND FIAT. HE PREFERRED NOT TO DISCUSS LEGWAND AND CALLED THE FIRM QUOTE A SPECIAL CASE UNQUOTE.

3. COMMENT: MASON'S SUPPOSITION THAT FMG USES TRADE MEASURES TO
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PAGE 02 LAGOS 08719 151109Z

ENCOURAGE IMPORT SUBSTITUTION IS CORRECT. HOWEVER, UNTIL RECENTLY, IT WAS ASSUMED THAT AUTO COMPANIES, BOTH PLANNED OR IN OPERATION, WOULD TAKE CARE OF NIGERIAN MARKET DEMAND/ VW, PEUGEOT, AND NISSAN WOULD PRODUCE 100,.60 PRIVATE AUTOMOBILES ANNUALLY WHILE STEYER, DAIMLER-BENZ, FIAT, LEYLAND, AND BEDFORD WOULD PRODUCE 50,000 COMMERCIAL VEHICLES. DESPITE VIGOROUS EFFORTS BY FORD, MACK AND GM, TO GAIN LOCAL ASSEMBLY RIGHTS,

FMG OFFICIALS FELT THAT THERE WAS NO ROOM FOR ANY MORE PLANY
(SEE 77 LAGOS 4715).

4. RECEPLLY, FORD HQS RECEIVED SOME ENCOURAGEMENT RE OBTAINING
A SUB-CONTRACT FROM ONE OF THE COMMERCIAL VEHICLE PLANTS FMC
TRACTOR ASSEMBLY. FURTHER, THERE ARE INDICATIONS THAT LEYLAND,
THE MAJOR SOURCE OF 4-WHEEL DRIVE VEHICLES, MAY BE INCURRING
FMG DISFAVOR. IF THIS IS CORRECT, NOW MAY BE A STRATEGIC TIME
FOR JEEP TO APPROACH THE FMG WITH AN ASSEMBLY PLANT PROPOSAL.
EASUM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, JEEPS, GROUND VEHICLES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LAGOS08719
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780291-1117
Format: TEL
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780760/aaaabycm.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 830c9e73-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 172491
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2008388
Secure: OPEN
Status: NATIVE
Subject: IMPORT RESTRICTIONS ON COMERCIAL VEHICLES: JEEP CORP.
TAGS: BEXP, BTIO, EINV, ETRD, NI
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/830c9e73-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014